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### 1. ISRAELI-EGYPTIAN FRONTIER SITUATION

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The Israeli raid in the El Auja area on the night of 2-3 November again underscores Tel Aviv's determination to maintain an unyielding frontier policy and to permit no encroachment on Israeli soil. It also appears

intended to force the Western powers, which had not satisfied Foreign Minister Sharett's requests for security assurances and arms, to become actively and favorably concerned with Israeli security.

Israel carried out extensive mobilization before it acted in El Auja, and the American military attaché in Tel Aviv believes that when it initiated the raid, Israel was prepared for 'any eventuality.'

Serious violations of the armistice always raise the possibility that the fighting may grow into general hostilities, even though the indications are that neither side is at present prepared to resort to war.

Major Israeli assaults may, however, eventually lead Egyptian prime minister Nasr to feel that he must resort to war or lose the support of his army and his people.

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### 2. EARLY ELECTIONS NOW EXPECTED IN FRANCE

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25X1A 25X1A	·	Ass hele the of t to e on t	ections for the French National sembly will almost certainly be ld by mid-December, even though e constitution gives the Council the Republic two months in which express its views on the bill voted 3 November dissolving the assembly e council is expected to give prompt cking to the conservative deputies
		who	o pushed the dissolution vote through assembly.

The government may now decide to make a last appeal to the assembly to reconsider the problem of electoral reform, a dozen proposals for which were debated before the 3 November vote. Such action must be taken by 13 November if the elections are to be held in December, however, and in view of the reluctance of much of Faure's coalition to accept a change, it is likely the current system will be retained—a type of proportional representation which puts a premium on party alliances.

Nevertheless, Mendes-France can still be expected to try to marshal opponents of early elections. He will attempt to press the council for delay and, in a last effort to effect electoral reform, try to consolidate his control of the Radical Socialists at their national congress this week.

The Communists voted for dissolution of the assembly apparently in the hope of improving their chances for alliances with the Socialists, who may be prevented from affiliation with the center groups to the same extent as in the 1951 elections. An increase in local Communist-Socialist electoral alliances is likely. In any event, Communist representation in the assembly will probably be increased because of friction between the non-Communist groups.

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3	BREAKDOWN OF SOON	LAOTIAN NEGOTIATIONS EXPECTED	25X1A
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25X1A		Crown Prince Savang believes the negotiations between the Laotian government and the Pathet Lao will be broken off by 10 November.	
	Savang states that concessions, it is December election	even if the Pathets make last-minute too late for them to participate in the	
	mission's support	At the close of the negotiations the to get the International Control Comfor an appeal to Britain and the USSR the 1954 Geneva conference regarding to Pathet Lao.	
C	omment	Pathet Lao forces will probably increase military pressure in the two	
	tions.	s following a final break in negotia-	
			25X1
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		Savang said earlier that in the event of	
	powers and action	by them should the Viet Minh intervene	
25X1	study of the situati	gotiations, he would strongly favor a ion in northern Laos by the Manila pact	

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# 4. INDONESIAN PRESIDENT REPORTED WORKING TO RESTORE LEFTIST GOVERNMENT

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President Sukarno has sounded out the National Party, the Nahdlatul Ulama (NU), and several minor parties to ascertain whether a government similar to the Ali cabinet could be reconstructed.

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"Ali formula" would include Communist support of the government but not participation in it. Both the NU and the moderate wing of the National Party reportedly rejected the proposal.

The American embassy comments that Sukarno apparently regards the unexpectedly large National Party vote in the recent elections as an endorsement of his own political approach and this may encourage him to proceed further in his experiments with the far left.

#### Comment

Sukarno, who continues to be the most popular political leader in Indonesia,

has developed a strong prejudice against the anti-Communist Masjumi, which leads the present cabinet. It was largely as a result of his influence that the National-led Ali cabinet, which excluded the Masjumi and depended on Communist support, was established in 1953 and lasted for two years.

The outcome of a struggle for leadership within the National Party may be the principal factor in determining whether Indonesia returns to the "Ali formula" for its next government. Sukarno is reported to favor the left wing, which apparently is still willing to accept Communist support.

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## 5. BRAZILIAN PRESIDENT'S REPORTED HEART ATTACK

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Following a light heart attack on 3 November, Brazilian president Café Filho has reportedly been ordered to take a complete rest. His condition is described as not serious.

Should Café die or resign because of ill-health, his position would be filled initially by the president of the Chamber of Deputies, Carlos Luz. Within the following 30 days the Brazilian Congress would be constitutionally required to elect a successor for the remainder of Café's term, which ends on 31 January 1956. Until the inauguration at that time of President-elect Kubitschek, however, the government is unlikely to institute any major policy changes.

Luz, a federal deputy from the state
of Minas Gerais since 1945 and president of the chamber
since February 1955, belongs to the same party as Kubi-
tschek, but is not considered one of his supporters. Luz
is generally considered pro-US.

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